

# A CHINESE EDUCATION

## EXPORTING EDUCATION AND TRAINING TO CHINA

by Chris Horner

*IOMA's Managing Exports*

For Irvine, California-based Network International and its president, Mark Matsumoto, flexibility has always been central to exporting success. In the process, Matsumoto—a former chairman of the Southern California District Export Council—has been in the forefront of helping other small and medium-sized companies exploit expanding post-WTO accession openings in the vast Chinese market—especially for U.S. services exports.

### CREATIVE THINKING

Having succeeded in less than a decade in expanding from home products sold

produced, for example, a successful “Global Matchmaking Event” in conjunction with the National Association of Broadcasters Show in Las Vegas in April 2001 and 2002.

“Now we’ve begun marketing specially designed, short-term training for foreign executives both in southern California and Las Vegas,” says Matsumoto. “The company currently has representative agents in Japan, China, and South Korea.” It is this latest strategy for NI that took Matsumoto to China.

### TRADE MISSIONS TO CHINA

“NI’s China business has been an outgrowth of participating in the Riverside, California-Jiangmen, China

Matching Service during the November 2001 visit,” he notes. (The Gold Key Matching Service pairs U.S. companies with pre-screened foreign companies interested in partnerships.)

“That trade mission helped me appreciate the challenging road American companies face selling in China, because the quality and reach of the manufacturing capacities of local Chinese firms have improved so rapidly in the last few years,” Matsumoto says. There was something else Matsumoto noticed as well, however. “Almost all of the factories NI toured were lacking in professional management, market research, and general business training,” he explains. “The overriding need, according to the

## HOW DID A U.S. COMPANY FOUNDED IN 1989 TO PIONEER SALES OF HOME PRODUCTS LIKE KITCHEN WASTE DISPOSALS IN JAPAN, LAND A SERVICES CONTRACT IN 2002 WITH ONE OF THE LARGEST TRAINING COMPANIES IN SOUTHERN CHINA—TO TRAIN LOCAL CHINESE MANAGERS AND EXECUTIVES?

in Japan to exports including food service equipment, commercial waste disposals, highway safety products, and water purification equipment to markets throughout Asia and Europe, Matsumoto might reasonably have taken a pause to pat himself on the back. However, Network International’s founder was already looking ahead to the next challenge. “I recognized that there was a growing demand for international event coordination, training, and professional consulting, and NI has branched out in that direction over the last two years,” he explains. NI

Sister City Trade Mission in November 2001, and follow-up visits to Guangzhou, China,” Matsumoto explains. Matsumoto is a great believer in taking advantage of the export assistance programs offered by the U.S. government, and he has high words of praise for the U.S. Export Assistance Center in Newport Beach, California, and the U.S. Foreign Commercial Service post in Guangzhou—both of which were instrumental in setting up appointments with qualified potential Chinese customers. “We employed the Commerce Department’s Gold Key

Chinese executives we met, is for their firms to acquire ‘human capital,’” Matsumoto recalls. “This was prevalent across virtually all sectors, manufacturing and service alike.”

Recently, Matsumoto returned to China with a delegation led by the Riverside Community College (RCC) Economic Development Department, consisting of nine business executives and economic development specialists from southern California. “This trip really reinforced the lucrative opportunities that await U.S. companies in the

service sector,” he explains. The mission was designed to identify and pursue educational, training, and professional services opportunities driven by China’s recent admission into the World Trade Organization. “The RCC delegation visited Jiangmen City and Guangzhou in the Pearl River Delta area and was hosted by the local Party organization,” Matsumoto comments. The delegation met with representative industry firms including major producers.

### SECURING BUSINESS

As a result of this trip, Network International, in collaboration with RCC, won a contract with one of the largest training companies in southern China. “In addition, we are also in the final stages of completing a memo of understanding with the primary economic development agency in Guangdong Province, that should serve as a pipeline for many future education and training contracts in southern China,” Matsumoto says.

“NI was retained by RCC in acceptance by the Guangzhou partner to personally deliver the initial training seminars in Guangzhou, to develop on-line content for expanded e-learning training, and to vet and qualify local trainers living in the Guangzhou region,” Matsumoto notes. The contract also involves inbound delegations of Chinese executives for short-term training in Las Vegas and southern California. “This technical training is in areas such as finance, import-export, logistics, economic development, and doing business in the U.S.,” he explains.

“China regards American training and professional know-how as the best in the world, but keen competition awaits U.S. firms from Australian, Canadian, U.K., and other European companies that are moving rapidly to fill the huge education and training demands in China,” Matsumoto points out. “Ultimately, the successful service provider must localize presentation and



content for diffusion to a broad audience in China,” he adds.

The contract NI and RCC have signed is potentially quite lucrative. “The value of a single outbound (on-site training in China) contract can vary from \$5,000 to \$50,000, including expense recovery, depending on the length of stay,” he explains. An inbound executive training program can be worth \$3,000 to \$5,000 per participant for a two-week course. The executive training delivered in southern California will also involve the California Community Colleges network, Ed>Net, and the University of California Extension program.

### SERVICES EXPORTS

Matsumoto sees more opportunities in the services exports arena. “China’s continued economic growth may well depend on further development of its service sector,” he explains, “including services such as banking, insurance, and securities; management consulting; telecommunications and IT; tourism; education and training; retail; and engineering services.”

Looking to meet some of these needs, Matsumoto is currently working with RCC’s Center for International Trade to develop a “service industry incubator” for southern Californian companies. “The China-Southern California Service Initiative will provide one-on-one consultation, access to pre-qualified buyers and partners via an on-line portal, coordination of reverse trade missions, and subsidized participation in overseas trade shows,” he says. ■

### Further Information:

Network International:  
[www.nitrade.com](http://www.nitrade.com)

Riverside Center for International Trade: [www.rcchelpsbusiness.com](http://www.rcchelpsbusiness.com)

U.S. and Foreign Commercial Service:  
[www.usatrade.gov](http://www.usatrade.gov)

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